

JOHN PERKINS

Confessions of an Economic Hit Man

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John Perkins was a loan shark to developing countries. After a stint in the Peace Corps in Latin America, he went to work as an economic planner for an international consulting firm that was a front for the National Security Administration. His book, *Confessions of an Economic Hit Man*, is a bestseller.

What we're going to talk about is the post-World War II history of the world as I see it. And that history is essentially the story of empire. During the period since World War II, we've managed to create the world's first truly global empire, and it's the only empire in history that's ever been created primarily without the military. It's been created through economics, through economic hit men.

And it's a very subtle empire: it's an empire that many of us who live in that empire don't realize is an empire. We wouldn't even call it that. When you create an empire as the Romans did or the Persians or the Chinese or the conquistadores or the British Empire or the French or the Dutch Empires, through military, everybody knows you're doing it, because all your young men, and sometimes women, are going off to fight in the wars. But when you create an empire through economics, it's very possible to keep that pretty secret from most of the people, most of the time. Nonetheless, we've created an empire.

And this empire manages to consume over 25% of the world's resources. Five percent of the world's population, us, consumes over 25% of the world's resources. That's an empire. But even worse than that, it's only about 1% of this 5%, 1% of our population, that controls more of our wealth than 90% of our people. So 25% of the world's resources are really going into this 1% of the 5%, what I call the corporatocracy.

The other unique characteristic of this empire is that, unlike other empires, there is no emperor, there is no single king there is not even a family dynasty, although some of you might disagree with me on that right now. This empire is controlled by what I call the corporatocracy, which is a group of people, primarily men, with a few women, who run our major corporations, our big banks, and our government. And they blend at the top. It's very hazy what they work for. Do they work for the government? Do they work for the banks? Do they work for the corporations? In fact, they work for all of them. Men like Robert McNamara, who was the first president of Ford Motor Company, secretary of defense under Kennedy and Johnson, and then president of the World Bank. Men like George Schultz, who was secretary of the treasury and then president of Bechtel, and then secretary of state. Men like Dick Cheney. Women like Condoleezza Rice. These people move across these lines all the time. In fact, if they did that in most countries that we look at -- if you knew, for example, that you were hiring the watchdog for a specific industry from the top ranks of that industry and when he got done with his government service, he would go back to that industry, you would call it a banana republic, any country that did that. That's exactly what we do. That is the corporatocracy. These are the new emperors.

There is no question about it; this has been the period of building the biggest empire in the history of the world. So we'll talk a little bit about that. And that will bring us up to September

11, a day that was very important to many of us, extremely important to me, changed my life - I wrote the book as a result of it - and what the implications of that are, September 11, and where we go from here, because ultimately this book and my life, I think, is one of great optimism and great hope.

I think we can turn this thing around, and I think we must turn it around. Another unique characteristic of this empire: it will be the first to become compassionate. But only if you make sure it happens that way. Because the people sitting at the top, the corporatocracy, will not be in favor of that. Nonetheless, we have the control, they don't. We just have to take it, and we will. So that's what we'll be talking about tonight.

And I'd just like to make a couple of other points before I start. One, I look at myself as an extremely loyal American. I come from over 300 years of Yankee Calvinists from New Hampshire and Vermont. My ancestors go back. They fought in every major war this country has ever fought, including the American Revolution. Ethan Allen was an ancestor of mine, won the first battle of the American Revolution. I understand he was drunk and not a shot was fired. Nonetheless, he did win the battle. And Tom Paine I also understand was drunk a great deal of the time, but he managed to be a pretty good writer and turned a lot of people on to democracy.

And I think that loyal Americans at this point in time have to take a stand to get rid of the corporatocracy and make this country realize its true potential. We can do a lot better than we've been doing, and we're going to do that. So I want to make that very clear.

Before I start the main part of my talk, I would just like to say a couple words about the book. I've tried in this book to kind of give the history of the post-World War II world and economics but not do it as an economic thesis. I'm considered an economist. I think that's a bit of a dubious title for me, but anyway. There are a lot of good economics books out about the very topic I'm talking about. Most of them are very boring and I have a hard time reading them, and I am sure almost everybody does, unless you're a Ph.D. economist, and even then you probably do but you might not admit it. So I tried to write this book to get in some economic theory and some history but do it from a very strong personal perspective so it would be entertaining and inspirational. But I will say that every word in the book is true. It's my story, and I couldn't possibly have made it up.

The post-World War II history of the world really starts with World War I. And beginning with World War I, my parents' generation went through a terrible time, where there was World War I, and then there was the Depression, and World War II. And it was truly a terrifying time in history. My dad fought in World War II. People were terrified that we were going to be demolished, that the Germans and/or the Japanese

were going to basically destroy us. There was tremendous terror, anxiety, and fear.

Once we won World War II, at the end of World War II we created what's called the Bretton Woods organization, the World Bank and the IMF and the affiliated organizations. And in case anybody is not familiar with where Bretton Woods is, it's in a state nearby here, New Hampshire. So I come from the state where those organizations were literally created. They were created in order to reconstruct a devastated Europe and a devastated Japan. And they did a pretty good job at that.

However, from the very beginning these banks were politicized, because as we emerged out of World War II, the next great threat was the Soviet Union, communism. So part of the concept of reconstructing a devastated Europe and a devastated Japan was convincing the world that capitalism was better than communism and showing the world, showing Europe especially, that the U.S. would serve as a better model and a better leader than Russia. So from the very beginning these organizations became politicized. And I think at the beginning it was quite naïve. This was not an intentional step. I'm not sure of that, but I suspect that. But as we moved out in time, it began to become a little bit more insidious.

And in 1951, Mohammed Mossadegh was elected premier of Iran. He was the first democratically elected premier in a long time in Iran, and he was held out to the world as the model for democracy. He would bring democracy to the Middle East and also to the rest of the world. *Time* magazine featured him as a Man of the Year in 1951. We heralded him as the great symbol of democracy. But almost as soon as he became premier of Iran, he began to reign in the oil companies, and it was his contention that particularly what is now BP, British Petroleum, was taking 85% of all the oil money out of Iran and that a much greater share should go to the Iranian people. So he threatened to nationalize British Petroleum unless they became more sensitive, more responsible to the Iranian people.

The British didn't like this very much, and they turned to Truman for help, because basically most of their people had been kicked out of Iran at that point, including their intelligence community. Truman refused to help. But when Eisenhower was elected president, he went along with the British and decided to help. The problem was, Iran was on the border with Russia. Russia had thermonuclear weapons, and so did we. And although we feared Russia and we wanted to put Russia down, we did not want to go to war with Russia. A few of you out there in my generation remember how we all learned, whenever a siren went off, to climb under our desks, because that's how we were going to protect ourselves from the nuclear weapons that Russia might be sending over here. Interesting theory.

But we were deeply afraid of nuclear armaments, we were afraid of nuclear war, so we didn't dare send the army into Iran to dispose of Mossadegh. Instead, we sent in a CIA agent, and his name was Kermit Roosevelt. He was Teddy's grandson. Kermit went in with a few million dollars and managed to foment strikes, rebellions, and protests. To make a long story short, in a fairly brief amount of time he overthrew this democratically elected premier of Iran, Mossadegh, and replaced him with the Shah, who we all know turned out to be a very bloody, brutal dictator. I worked for him for a while. I'm not proud to admit that, but I did. This was the first real success in the economic hit men field.

At that point the U.S. realized that we had hit upon something magical: we had learned how to bring another country into our empire without the threat of war, without sending our military there, and without spending very much money at all, and that this was a model we should emulate around the world. The only problem was, Kermit Roosevelt was a CIA agent, a government employee, and had he been uncovered, the U.S. government would have been embarrassed and could have been in deep trouble.

So at that point the decision was made to use agencies like the CIA and the National Security Agency, the NSA, the nation's largest and probably least understood spy organization, to identify, recruit, and even train economic hit men. But the economic hit men then would work for private corporations, as, in fact, would the most serious CIA people. James Bond is an interesting concept, but in our country James Bond would never work for a government agency. He would work for a private contractor that is basically hired by the intelligence community surreptitiously. And there are a lot of those guys around. We call them the jackals. They're assassins, they're brutal people. They don't work for the government, legally speaking. I know a number of them.

As time goes by, the system gets stronger and stronger. In 1968, I was a student at Boston University College of Business Administration and was recruited by the National Security Agency. And I went in for a series of interviews, long, arduous interviews, including several hours under a lie detector. I had been to school in Middlebury, Vermont, at Middlebury College. And a few things happened to me there, so I thought the NSA would find me unacceptable. But in fact they liked me, because I kind of lied to the police, which they found attractive, I later learned. Anyway, I went through these tests and was identified as a potentially good economic hit man. And also, they discovered a lot of weaknesses in my character that they could use as hooks. With their encouragement, after that I went into the Peace Corps, and I served for three years as a Peace Corps volunteer in the Ecuador, in the Andes and the Amazon, working with tribes that are opposing oil companies and today have declared war on U.S. oil companies in that area. So I got pretty good on-the-job training without really knowing it, and learning some other languages, too.

While I was there, a vice president from this consulting firm in Boston, Charles T. Main, came down and visited me. He was deeply connected with the National Security Agency and continued the recruitment, and I ended up going to work for him at this consulting firm in Boston. We were a very quiet company. They no longer exist as a company. It was a hundred-year-old company when I went to work for them, 2,000 employees. We had eight floors in the Prudential Center in Boston. But a very low-profile firm, which does not exist any longer. It was absorbed by another organization.

In any case, I ended up being chief economist at Charles T. Main, and its youngest partner. It was a partnership, a closely held corporation. So I was recruited by Charles T. Main and immediately went into training with this woman that was referred to as an enigmatic, mysterious woman, Claudine. Claudine was a very clever, intelligent, and seductive woman. And she knew all my weaknesses. She had obviously had access to the files from the National Security Agency. One of many weaknesses was I was extremely shy. My dad was a teacher at a boys' private school in New Hampshire. We never had any

money. We had a good house that the school gave us, plenty of food, but he didn't get paid much. I was surrounded by boys with tremendous amounts of money, and I always had an inferiority complex about money. And there were never any women around, so I had an inferiority complex about them, too.

Anyway, Claudine knew my weaknesses and she used them to the greatest advantage to hook me, let me know that if I were to become an economic hit man, I would always travel first class, I would ride in the hump of the 747, I would stay in the best hotels wherever I went, eat at the finest restaurants, and be surrounded by gorgeous women. So how could I refuse?

She was also very clear on what I would be doing. What economic hit men do, we do a lot of things, but basically we're about building empire. But, as she told me, sort of the standard approach, the most common thing that we do, is that we go to Third World countries. We identify Third World countries that have a resource that our corporations covet, like oil or cheap labor or a canal, and then we arrange for a very large loan to be made by the World Bank or the IMF or a combination of banks to this Third World country. One of the conditions of that loan is that most of the money will never leave the U.S.; it will go from a bank in Washington to one in San Francisco, Houston, Chicago, New York, where the big corporations are, that will build projects in this Third World country. And these corporations are the ones that we're hearing a lot about these days, like Halliburton and Bechtel. And these corporations then will use this money to build big projects in the Third World country, like industrial parks, ports, power plants, things that serve the very rich of those countries and very seldom bring any benefits at all to the poor people.

In fact, the very act of incurring the debt means that the poor people will for many years after that be deprived of health and education and other services that they should be getting, because the money will have to go to buy down the debt instead, and the debt has gone to build projects that are serving the very wealthy. And the country then will be saddled with this huge debt that it can't possibly repay. And we know that when we make them the loan. This is part of the objective: they cannot repay the debt.

So at some point the economic hit men go back to that country and we say, "Look, you owe us a great deal of money. You can't pay us back. Therefore, sell your oil to our oil companies at a very cheap price, vote with us at the next crucial U.N. vote, give us land for our military bases, send your young men off to Iraq or someplace to fight on our side, do something for us, give us a pound of flesh." This is what we demand. And that's how we've built this empire over the years.

It's very subtle, and it's done in cahoots with a few of the very wealthy people in these countries who do benefit from these projects. They're part of that system. And it is a huge rip-off for the American taxpayer, for you and me, and it's a huge rip-off for the poor people around the world. But that's typical of how we do things. There are other ways that we do it, but that's one of the most typical ways. I'll talk more about some of the others later.

Claudine told me all this in the training sessions. And she told me it's a dirty business. Incidentally, it's not illegal. Most of what I did is not illegal. It should be. If I were a banker and I went to you and I coerced you or convinced you to accept the loan that I knew you could not possibly repay because I wanted a favor from you later on, that's a crime. And you could get out

from under that through the courts, through bankruptcy, but probably not even bankruptcy, because it's a crime. But on the international level it's not a crime. And mainly it's not a crime because who writes the laws? We do. The emperor writes the laws, so it's not a crime. I did a few criminal things, but they were pretty minor. The big ones are not. And the system is set up that way.

So Claudine is telling me this and she's also telling me that it's a dirty business, that it's probably going to bother my conscience, but I'd better not go into it unless I'm prepared to live it for life because, she says, "Once you're in, you're in for life." And I can never speak about it; I can't tell my wife, I can't tell my family about it. And I know that my first assignment was going to be in Indonesia. And she says, "Don't go to Indonesia unless you're willing to take this on under these conditions." It was pretty thrilling for me in a way. It did bother my conscience on one level, but it also very much appealed to me on another level. So I went.

So the story is, that's how I was recruited and trained by Claudine. And then I quickly got into the system and was very, very well rewarded for what I did. I became chief economist of this consulting firm. Interesting there, because I have a Bachelor of Science degree from Boston University College of Business Administration in marketing and economics. Material for a chief economist? But it tells you something, because I had about 50 people working for me in the end: I had Ph.D. economists from Harvard and MIT and other places, I had M.B.A.'s. I had some very good people.

And the way this is set up is, what an economic hit man is is he's a deal maker. I cut deals. I'm good at that. And then I went back to my people, and they produced the econometric models and the reports to prove that the deals that I cut were the right way to go. And my whole experience with international economics has been that, from my perspective, that's the way it's used. It's not used to find out what the best thing to do is and then do it, for the most part.

Most of us believe that foreign aid is altruistic. It isn't for the most part, with some exceptions. There are exceptions when there are tsunamis and disasters in the world, but that's a very small part of foreign aid. Most foreign aid is used to help a few very wealthy owners of our corporations get richer, the corporatocracy, and a few families in these Third World families. It shouldn't be. I believe very strongly in foreign aid. It needs to go to helping the poor people.

There were several exceptions to what I did. One of them was in Panama. The head of state of Panama at the time was Omar Torrijos. Panama was stolen from Colombia in the early 1900s because we wanted to build a canal there and the Colombians wouldn't agree to it. So we invaded, basically, and made Panama free, and we signed a treaty to build a canal. An interesting aspect of that is that two Americans, including the secretary of state, signed a treaty with a Frenchman by which Panama ceded a whole huge portion of its country over to the U.S. No Panamanian, no Colombian, no Latin American ever signed that treaty. The Europeans and the North Americans cut the deal for Panama.

From that time, for over 50 years Panama was ruled by an oligarchy that was basically American puppet governments. And then there was a coup, and subsequently Omar Torrijos, who wasn't part of the coup, became head of state. Torrijos was an amazing man, a beautiful man, a very charismatic leader. I

think he would have been up for the Nobel Peace Prize had he not been assassinated. And Torrijos took me aside when I first went to Panama as an economic hit man to bring him over, I describe this in detail in the book, and said, "Look, I know what you're planning on doing. I know the games that you guys play. And I know that if I play that game, I'm going to get rich. And I'm not interested in getting rich. I want to help my poor people. I come from that, and I want to help these people. We've had enough oligarchy, we've had enough U.S. domination. I want to do it the right way. And you can either play the game that I want to play and help my poor people or you can get out and stay out of Panama."

So I went back to my boss in Boston and relayed the message to him. And he said, "Well, you might as well stay." Basically, the decision was, we're not going to accomplish the economic-hit-man goal here, but nobody else is either, so we might as well stay. And it was a tremendous lesson for me, because we did some great projects in Panama. Foreign aid can be used to really help poor people - fishermen, small farmers. You can build irrigation canals for the small farmer, you can build rural transportation systems and rural markets and microbanking systems, you can build small fishing boats for the fishermen and storage facilities for the fish and freezing plants and transportation plants. This is entirely possible.

And I get off the subject for just a moment here and ask all of you to watch very, very closely over the next five years what we do in Southeast Asia, because the real test is -- who cares whether we just committed \$35 million or \$350 million? The U.S. will commit billions of dollars to Southeast Asia. Mark my words. I have no doubt about it. The question is, who is going to benefit? Are we going to continue the pattern of the last several decades and build things in Southeast Asia that are going to serve the wealthy there and probably put the poor people out of work, or are we going to go in and help the poor fishermen who lost their boats in the tsunami and the other poor people? You and I have to watch that very carefully to make sure we do the right thing there.

We did the right thing in Panama. But as we were doing it, I was very fearful for Omar Torrijos, because the system is built on the assumption that the leaders are corruptible. And when a leader isn't corruptible, he poses a huge threat to the system, which wasn't just about Panama, it was about a man who is standing up to the system and sets an example.

And as it so happened, at the same time Jaime Roldós was president of Ecuador. And Jaime was the first president, again, to be democratically elected following a long line of military dictators. I had been a Peace Corps volunteer in Ecuador. I knew it well. Roldós ran on a ticket of reigning in the oil companies, very much like Mossadegh. And when he was elected by a landslide, he immediately began implementing what he called the hydrocarbons policy, which was a policy of either getting the oil companies to pay a lot more of the revenues from oil back to the Ecuadorian people or nationalizing them.

As economic hit men, we went down and tried to get Roldós to come around. But, like Torrijos, he wouldn't come around, he wouldn't play. The two men helped each other, supported each other in this. In a period of three months in 1981, Roldós's helicopter blew up as it took off in midair from Loja, Ecuador - I was nearby - and Torrijos's plane blew up in midair and crashed into a mountain. Both men were killed. Absolutely no question by CIA-sanctioned jackals. They're the

people who step in when the economic hit men fail. You can talk to anyone in Latin America. I was just talking to the former ambassador to the U.S. from Panama. There is no question. Why didn't we hear more about this in this country? Guess. What happens when we economic hit men fail, and we don't fail too often in the system, the next line of defense is what we call the jackals. And the jackals go in, and first they try to overthrow a government, as they did with Mossadegh in Iran. But if they are unsuccessful at overthrowing the government, they assassinate the leader, as they did in Ecuador in 1981, and Panama in 1981, and as they did in Guatemala with Arbenz, and as they did in Chile with Allende, and as they've done in many, many, many places.

Sometimes when economic hit men fail and the jackals go in, the jackals also fail. Then, and only then, as a last resort we send in our young men and women, our military. That's what happened in Iraq. We both failed several times in Iraq, and the military went in. And I'll talk a little about Iraq, and then I want to move up to the present briefly.

Iraq really goes back to Saudi Arabia. Some of you, again, are old enough, like me, to remember that, and when you get to be my age, actually you don't remember very well at all anyway, but I took lots of notes. In the early 1970s, OPEC objected to our policies in Israel strongly, flexed its muscle, and reduced the supply of oil drastically to this country. And the fear was this country was going to go into a tailspin, another depression like that of 1929. We had long lines of cars at the gas stations. Some of you remember that. A lot of you don't, but you may have seen some pictures. The Treasury Department came to me and a few other economic hit men and said, "This is unacceptable. We've got to make sure this never happens again." Well, I knew that the key to making sure this wouldn't happen again was Saudi Arabia, because Saudi Arabia had more oil than anyone else and the House of Saud, the royal family, was corrupted and was corruptible. So we had to go into Saudi Arabia and change things there. There is an interesting story in the book about a herd of goats in the streets of Riyadh that you might want to read that sort of gave me some insight into a lot of things in Saudi Arabia.

But we ended up fashioning this amazing deal with the House of Saud, again, it's described in detail in the book, but I'll summarize it here, and that is that the royal family, the House of Saud, would return almost all of its money that it made from oil, its petrodollars, to the U.S. and invest that money in U.S. Government securities. The U.S. Treasury Department then would use the interest earned on that money to hire U.S. companies to build Saudi Arabia. And that's exactly what's happened over the last 30-35 years. Trillions of dollars have been used to build desalinization plants, highways, ports, electric plants, cities out of the desert. The deal was that from the petrodollars invested in U.S. Government securities the interest would be used to hire U.S. companies to build up Saudi Arabia. And the Royal House of Saud would guarantee to keep the price of oil within limits acceptable to the U.S. government and the U.S. corporations, which they have done. And we would guarantee to keep the House of Saud in power regardless of what they did, like supporting Osama bin Laden and Idi Amin, the Hitler, the butcher of Africa. That deal has held. It still holds today.

It's getting very rocky today, because the Royal House of Saud is very unstable right now. And one of the reasons it's

unstable is because a lot of Saudis and a lot of Muslims all around the world are very upset that Saudi Arabia Westernized itself and now looks like an American city, basically. They're very upset that the most sacred sites in the Islamic world, Medina and Mecca, are now surrounded by things like McDonald's.

There is a term that the CIA uses, which is blowback, and it refers to the repercussions from a covert policy that you thought was successful at the time and comes back to haunt you later. Overthrowing Mossadegh and replacing him with the Shah and what we did in Iran have resulted in the blowback of 9/11 and many things subsequent. That's blowback.

Actually, as economic hit men, we felt that this was one of our most successful policies, because we managed to go into a country that didn't need to take a loan from us. The old model was making these loans. And yet we went in. And when we first went in, the first thing we told the House of Saud, "Hey, do you guys remember what happened to Mossadegh back there in Iran back in the early 1950s?" And of course they did. And we said, "Well, we're prepared to do the same thing to you, to throw you out. Or we'll guarantee that you will stay in. All you've got to do is go along with us." And we cut this deal.

The deal was so successful that after that we went to Iraq and we said Saddam Hussein ought to be willing to accept the same deal if the House of Saud accepted it. But he didn't. And I never figured out why, except maybe he's not too smart. I don't know. If Saddam Hussein had accepted this deal, he would still be head of state of Iraq, we would be selling him all the military aircraft and tanks and chemical plants he wants, as we've done to many other dictators around the world. But he chose not to accept, so we sent in the jackals, the CIA-sanctioned troublemakers and assassins. But they couldn't get through to him. Saddam Hussein had very loyal bodyguards, plus he had a lot of doubles, so his own guards often didn't know who they were guarding, whether it was him or somebody else.

The bodyguards for most of the dictators in Latin America and the presidents, including Torrijos and Roldós, were trained at the U.S. School of the Americas, in Panama in those days. It's now in Fort Benning, Georgia. And it's a well-known fact that soldiers are often most loyal to their handlers, their trainers. So if you think about it, and if you happen to be a head of state with a bunch of bodyguards running around next to you carrying guns, who is the most dangerous person around you? It's your bodyguard, if somebody can turn him against you, because he's legally carrying guns and he's standing right next to you, or he can make sure that the explosives get on the airplane that he's guarding for you. So in a case like Panama and Ecuador, we had control over those bodyguards.

But in Iraq we didn't. The Republican Guard was very loyal and the personal bodyguards were very loyal, and they often didn't even know who the real Saddam was. That might have been a part of why they were so loyal, because they might have killed the wrong guy, and that wouldn't have worked too well for them. In any case, they weren't able to get at him. So we sent in the military in 1990. And we figured at that point, after we defeated his military, that he was sufficiently chastised that now we could go in and cut the deal with him. So in the 1990s we tried again, and it didn't work, and the jackals didn't succeed again. So we went back in.

That's a lot of the story behind Iraq. It's not the whole story; there are many issues in Iraq. There is the issue of

Saddam threatening to go to the euro instead of the dollar. There is the fact that most of the water from the Middle East comes out of Turkey. The Tigris and Euphrates Rivers both go through Iraq. If you look at a map, it's an incredibly strategically located place. There are a lot of strategic factors in play here, but that was a very large part of those factors.

So those are some examples of what economic hit men did. Now I'd like to move forward to 9/11 and where we are today and where I think we may be going and where I think we need to go and can go.

On 9/11, I was in the Amazon. I took a small group of people from our nonprofit organization, which I formed in 1990, Dream Change Coalition. You can go to DreamChange.org and see our website. But anyway, I was in the Amazon with the Shuar, who are declaring war on the oil companies. They're headhunters. If you've ever seen a shrunken head, the Shuar did it because they are the only ones who do that. They're very, very powerful warriors, they're amazing people. I've known them for many, many years. Yet they don't stand a chance, I don't believe, against the oil company mercenaries or the U.S. Army. But they have sworn to fight and die to the last man, if they have to, to keep the oil companies out of their territory. Anyway, that was where I was on 9/11.

Shortly after that, I went up to ground zero. And as I stood there looking down into that terrible pit, the smoke was still rising and you could still smell the burning flesh, I knew that I had to come clean, I knew that I had to speak out, I knew that I had to tell the story that I had taken an oath never to tell. And in the meantime, I haven't talked about this, but I can later, I had taken a number of bribes and a number of threats not to tell the story. I knew I had to tell it at this point because I knew that what had happened at 9/11 was, that I was responsible for that. The economic hit men were the ones who had created this world. And to a certain degree all of us have. And the only way that we're going to stop these things from happening in the future, the only security for my 22-year-old daughter and her generation and her children and their generations, is not more guards in airports or more troops overseas. It's creating the world that the U.S. was formed to create, it's fulfilling the dream of our founding fathers. It's really doing what every one of us believes in, what we were taught in school.

Most Americans sort of assume we're kind of doing that, or at least they don't assume that we're creating an empire. Most Americans believe that aid is altruistic and that we're helping the world, and they wonder why so many people hate us. And so I realized that the truth has to get out there, and I was one of the people that had to tell it, and that it was time that it be told. And I know that in writing this book, in a certain way I stuck my head in a noose. And I'm not suicidal, so I wouldn't stick my head in a noose if I didn't think it was going to accomplish something. I'm pretty much of a pragmatist. I think we can turn this thing around.

And I'm taken back to the 1770s, to what happened here in Massachusetts and what happened up there at Fort Ticonderoga with my relative Ethan Allen and what happened in New Hampshire, Pennsylvania, and throughout the 13 colonies when we stood up to the greatest empire in the world in those days, an empire that everybody said nobody could defeat. Least of all, a group of rabble-rousers here in the Americas couldn't possibly defeat it. But George Washington stuck his head in a noose, and so did Sam Adams, who fortunately survived to make a very

good beer. And his family, the other Adamses, and all the signers of the Declaration of Independence stuck their head in the noose. They were terrorists, they were traitors, they were disloyal citizens to the British Empire, to King George. And had we lost the American Revolution, every one of them would have been hanged.

And how did we win the revolution? At the time the idea arises, everybody is out there saying, "You can't do that. We can't beat the British Empire. Are you crazy?" Just like today everybody is saying, "How do you fight the corporations? How do you fight the empire?" They said the same thing back in the 1770s. But a guy named Tom Paine wrote a very good book, and Thomas Jefferson was a pretty good writer, too. We've got a lot of good writers around these days. And people took those books and they went into taverns and they went into their homes and they read them out loud and talked about it. A lot of them still said, "You can't do it" There were Tories, there were disclaimers, there was a lot of doubt and a lot of questioning. But, by God, they changed the world. And the whole premise behind our Declaration of Independence, behind all of our most sacred documents in this country -- and, incidentally, I noticed last night they're all hanging up on the walls of the City Hall in West Hartford, so if you have a hard time finding any of them, they are hanging there on the walls, copies of them. And they're all in your library, too. They're in this bookstore, I'm sure. Amazing documents.

But the philosophy in those documents comes from all over the world: the philosophy that is reflected there comes from John Locke and from a lot of European philosophers, a lot of African and Asian philosophers. The system of government that we created was originally modeled after indigenous Iroquois, Abnaki, and other indigenous cultures. The philosophy behind this country and its system of government is truly global, and it's time we took it global. And I'm not talking about creating a one-world government. I wouldn't want to see that happen. But I am talking about going out with our compassion and with our resources.

America has more resources than anybody has ever had in the world, more creativity I dare say, more technology. This is an empire that not only has the strongest military, seldom uses it, but everybody in the world speaks English when it comes to diplomacy or commerce, everybody watches American movies and television, everybody reads American books, the most dominant medicine in the world is based on American medicine, the most dominant science is based on American science, everybody listens to our music. I could go on and on. We invented the Internet. We have amazing talent here and incredible resources, and we've managed to go out and send our corporatocracy, managed to send people out to every remote corner of the world. And it sucks in the world's resources and uses them very selfishly, very greedily. But that's not us. That's not what we're about. That's not what our country represents. That's not what our values represent.

So another unique aspect of this empire is that it's the first one that I know of in the history of the world that's been created on the body of a public that is deeply compassionate. And, in fact, every document that supports the government system and the corporatocracy system is deeply compassionate, espouses the ideals of freedom, of justice, of equality. It states that every man, woman, and child on this planet has the right to life, liberty, and the pursuit of happiness.

And today, today, this very day, on this day today, before this day is over 24,000 people will have starved to death, 30,000 children will die today for lack of medicine from curable diseases. They will die from diseases that are curable because we haven't given them the medicine. And it doesn't have to happen. Not only does it not have to happen, but - I hate to say this - we are perpetuating that and making it worse. The gap between rich and poor is much larger today than it was when I was an economic hit man. In 1960, the ratio of income of the fifth of the people living in the wealthiest countries to the fifth of the people living in the poorest was 30 to 1. Today it's about 75 to 1. Think about it. Of the 100 largest economies in the world, 52 are corporations, not countries, and 47 of those are U.S. corporations. In the 1930s - I'm an economist, supposedly, so I spout statistics sometimes - 33% of the taxes in the U.S. were paid for by corporations. Today it's 14%.

So here we are today. 9/11 happened. We all got hit over the head with it, or should have. I made this commitment, a personal commitment. But where can we go with this? The one thing that history teaches us is that empires collapse, they don't survive. None has ever survived. You do not survive for very long by exploiting everybody that you can get your hands on. This one, too, will collapse. And when empires collapse, it's terrible, it's painful for everyone. We destroy millions of lives and cultures, and then we destroy ourselves. That's what empires do. This one will do the same thing. And that won't be good for the world, because it will create a vacuum and there will be a lot more wars. We know this from history. And eventually someone else will emerge - the Chinese, a coalition of Arab countries, European countries, Russia. I don't know. Somebody will emerge out of this and become the new empire. So what's the point?

But the alternative is, we change this thing, we turn it around, because we are the first empire in the history of the world that's truly global. We are the first empire in the history of the world, as far as I know, that doesn't have an emperor. We are the first empire in the history of the world that has this amazing population and it's built on these incredible principles that are global principles that come from everybody - equality, justice, the right to life, liberty, and the pursuit of happiness for all people. So it is now our chance to do something that's never been done in the history of the world before, and that is to truly create a world of compassion, a united world where nobody goes without food, where nobody goes without sufficient water or clothes or shelter or has the rights that we consider to be the rights that human beings should have. And I submit to you that we can do that, we must do that, and we will do that. We are a very compassionate people and we are a very powerful people. We have a lot more power than we realize. Seattle '99 did amazing things in the World Bank. A lot of people don't seem to understand that, but I know a lot of people in the World Bank that were devastated by what happened there.

I'll tell one other story, and then I'm going to move out of this and into questions and answers. A few years ago, a major NGO, a nonprofit environmental organization, went head to head with a big international corporation, demanding that that big international corporation change its policies in regard to the environment. Two individuals, the president of the NGO and the senior vice president of the international corporation, took it personally, went at each other personally, head to head. In the end, the NGO organized protests and strikes and had people

hanging from buildings and all kinds of things. Probably a lot of you know who I'm talking about. And the big corporation changed. It changed its policies to reflect a lot of the things that the NGO had asked of it.

And shortly after that, I had the rare good fortune of being in a little conference high up on the Pacific coast in Santa Barbara, California, with the two men, the president of the NGO and the vice president of the international corporation. And one night we were sitting in a hot tub, the three of us, overlooking the Pacific Ocean drinking. We were naked in a hot tub drinking beer overlooking over the Pacific Ocean. These were two guys that have been at it, and I'm really interested in how they're going to relate to each other. We had been at a conference all day in small groups, so I know that they're not going to kill each other and I know that it's going to be pretty friendly. And the vice president of the big international corporation at one point, feeling his beer, turned to president of the NGO and said, "I have to tell you how terribly grateful I am to you for doing what you did, because before you did it I knew what this corporation needed to do. It needed to do everything we've done and more. But I couldn't possibly have gone to my board of directors or my stockholders and suggested we do it. I would have lost my job. And what would that have accomplished? Somebody more hard-nosed would have taken over. But when you organized these demonstrations, it gave me the leverage to go to my board and my stockholders and say, We've got to do the right thing. Thank you," he said.

Let that serve as a great lesson. A lot of people in these corporations want change, but they need you telling them they need to change. They need your support, they need you to push. The change is going to come from the grass roots, it's going to come from us. It's not going to come from the top, it's going to come from us. It always has. A hundred years ago, you women couldn't vote in this country. Fifty years ago, you blacks couldn't ride on the same bus as us whites in parts of this country. Thirty years ago, the eagle was about to go extinct. While I was at BU, you couldn't go near the Charles River without being afraid of catching on fire or dying of toxic gas poisoning. Today I think you can. It's been cleaned up, I think, now. Most of my lifetime we spent tremendous sums, billions and trillions of dollars, and energy trying to get rid of the Soviet Union. We didn't do it. But a handful of labor union activists, poets, and playwrights brought down the Soviet Union.

It was a change of consciousness. Civil movements are powerful. I think there are a few of you out there who may be familiar, I've written five other books before this one on indigenous people and shamanism. That was when I was doing the nonprofit work which was partly assuaging my guilt. I took bribes not to write this book back in the early 1990s and put most of the money in the nonprofit, which went to helping indigenous people in many of the countries that I had ripped off before. But what I've learned, I've worked with many, many indigenous countries around the world, the Bugis of Indonesia, the Bushmen, the Zulus, the people of the Asian Steppes, the Mayas, the Hopi, the Quechua, the Shuar, all of these people have prophecies. Every one of them that I know of has a prophecy that we are in a time of tremendous transition and a potential for great things to happen. I was with the Dalai Lama not long ago in Ladakh, and I just came back from Tibet a few months ago. And those prophecies are everywhere. I believe that we're in a time when it's been prophesied that this is the time for

potential change, not that change will happen, but that the potential exists and we have to do it.

And I believe what the indigenous people have always taught me throughout the years from many, many different cultures, that each one of us comes into this body at this time with a mission for a reason. And our schools often teach us to forget about that. But here we are now, at this very critical time. Each of you has come in here at this time for a reason with a mission, and you're sitting in this room now for some reason. Something drew you here today. The idea of a confession of an economic hit man. I don't think you're all Catholic priests waiting for someone to confess into your ear out there. What drew you here? Why are you here this time? I think you're here because you're ready to see us move to this next step. You're ready to see us realize the dream of our founding fathers, you're ready to see us create a world that we're going to be proud of.

I'm going to turn 60 in a couple of weeks. I have a 22-year-old daughter. I don't know how much time I've got left on this planet, but I do know that I want to devote all of what I've got left to making this a better world for her and her generation than the one I would be leaving her if I were to leave right now. So here we're poised at this amazing time in history, a time that's been prophesied by all these cultures. Here you are sitting here in the wealthiest country that history has ever known, tremendous resources, tentacles that reach to the farthest corners of the planet, the ability to do remarkable things, to create the world that we all want to see created. And so I submit to you that it's now time to get off our butts and let's get out there and change this world. Thank you.

For information about obtaining CDs, cassettes or transcripts of this or other programs, please contact:

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